



BOARD MEETING MINUTES

**Iowa Finance Authority
Des Moines, Iowa
October 5, 2016**

Board Members Present

Darlys Baum	Jane Bell
Jeff Heil	Joan Johnson
Michel Nelson, Treasurer	Shaner Magalhães
Eric Peterson	Ruth Randleman

Board Members Absent

David Greenspon

Staff Members Present

Lori Beary, Chief Community Development Officer	Ashley Jared, Director of Communications
Brian Crozier, Chief Administration Officer	Carolann Jensen, Chief Programs Officer
Rita Eble, HOME Program Analyst	Rhonda Kimble, Single Family Director
Jerry Floyd, HOME Program Analyst	Megan Miller, Legal Secretary
Cindy Harris, Chief Financial Officer	Wes Peterson, Director of Government Relations
Steve Harvey, Director of Accounting	Mark Thompson, General Counsel
	Dave Vaske, LIHTC Manager

Others Present

David Grossklaus, Dorsey & Whitney
Holly Englehart, Eide Bailly
Doug LaBounty, Community Housing Initiatives, Inc.

Call to Order

Chair Randleman called to order the October 5, 2016, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:03 AM. Roll call was taken, and a quorum was established with the following Board members present: Baum, Bell, Heil, Johnson, Nelson, Magalhães, Peterson, and Randleman.

Consent Agenda

Chair Randleman introduced the consent agenda and asked if anyone wanted to request items be removed.

MOTION: There being no objections, Mr. Heil made a motion to approve the items on the consent agenda, which included the following:

- Approval of Minutes of the September 7, 2016, IFA Board Meeting
- ED 16-15A, ReConserve Cedar Rapids Plant Project
- ED 16-16A, Southridge Apartments Project
- ED 16-17A, Westdale Apartments Project
- WQ 16-18, SRF Construction Loans
- WQ 16-19, Loan for INHF, Coulson Property, Madison and Clarke Counties
- WQ 16-20, Loan for INHF, DeYoung Property, Mahaska County
- AG 16-038B, Nathan N. and Melissa K. Scheidel
- AG 16-039B, Elmer E. Miller
- 03243M, Randall J. and Melissa Vaupel
- 03948M, Peter J. and Hillary Seuntjens
- 03949M, Matthew P. and Amy Seuntjens
- 04645M, Bradley J. Renze
- AG 16-015M, Benjamin Hayes
- AG 16-016M, Bradley Hayes
- AG-LP 16-08, Loan Participation Program
- AG-TC 16-10, Beginning Farmer Tax Credit Program

On a second by Mr. Nelson, the Board unanimously approved the items on the consent agenda.

Administration

August 2016 Financial Statement

Mr. Harvey Presented the August 2016 financial results. He said that as a housing agency, year-to-date net operating income before grants of \$2,600,246 is favorable to the budget by \$1,072,758.

The State Revolving Fund year-to-date net operating income after grants of \$1,479,410 is 188.7% below budget. There is grant expense due to loan forgiveness, and no cap grant funds for draws will be available until the 2016 cap grant award.

MOTION: On a Motion by Mr. Magalhães and a second by Mr. Heil, the Board unanimously approved the August Financial Statement.

Presentation of the FY16 Financial Audit

Mr. Harvey introduced Ms. Englehart from Eide Bailly to present IFA's FY16 financial audit.

Ms. Englehart stated there are three opinions issued on the housing agency fund, the SRF fund, and the agency as a whole. All three opinions issued are considered unmodified or clean opinions, indicating that the financial statements fairly represent the financial position and the operations of the Authority for the year ending June 30, 2016.

Ms. Englehart stated they found no material weaknesses identified and no material noncompliance in the financial statement audit and the federal awards audit. Ms. Englehart expressed appreciation to the IFA staff for their cooperation during the audit.

MOTION: On a Motion by Mr. Nelson and a second by Mr. Magalhães, the Board unanimously approved the Eide Bailly audit report.

FIN 16-09, Authorization Proceedings: Mortgage Credit Certificate Program

Ms. Beary stated this is a resolution to use \$72,408,109 of 2013 Private Activity Bond Cap carryforward for Mortgage Credit Certificates (MCCs). Each year the State of Iowa gets an allocation of Private Activity Bond Cap. If the Cap is not used in the calendar year it is allocated, it can be carried forward for up to 3 years. After 3 years, if it is not used it expires. These additional funds will be used to continue the MCC program throughout calendar year 2016. Ms. Beary requested board action on FIN 16-09.

MOTION: On a motion by Mr. Magalhães and a second by Mr. Peterson, the Board unanimously approved FIN 16-09.

FIN 16-10, Reimbursement Resolution for State Revolving Fund

Ms. Harris stated that the financing team for the Authority's State Revolving Fund Program recommends the Board approve this resolution authorizing reimbursement of \$200 million of loan disbursements from future SRF bond issues. Ms. Harris requested board action on FIN 16-10.

MOTION: On a motion by Mr. Heil and a second by Mr. Peterson, the Board unanimously approved FIN 16-10.

Communications Report

Ms. Jared shared the NCSHA marketing award IFA received for the 2015 Iowa House Hunt promotion. Mr. Jamison was elected to the NCSHA Board of Directors Executive Committee as the Secretary Treasurer. The HousingIowa Conference in September had a record-breaking 707 attendees (up from the previous record of 573). Next year, the conference will be in Coralville. Upcoming on November 15th is the Fall Iowa Title Guaranty conference in Cedar Rapids.

HousingIowa

HI 16-15, HOME Awards

Mr. Floyd stated this resolution is for the award of \$850,000 in HOME funds in two parts. \$450,000 for the acquisition of affordable rental housing for the Housing Fellowship of Iowa City to purchase 3 HOME units in Johnson County. \$400,000 for the acquisition of land and new construction of affordable rental housing to provide 2 HOME units in Allamakee and Bremer Counties. Mr. Floyd requested board action on HI 16-15.

MOTION: On a motion by Mr. Peterson and a second by Mr. Magalhães, the Board unanimously approved HI 16-15.

HI 16-16, Community Action of Southeast Iowa

Ms. Jensen presented this resolution asking the Board to forgive the difference between the amount owed, around \$120,000, and the short sale price, around \$50,000, for a HOME loan to Community Action of Southeast Iowa. The project was awarded to the project in 1998, prior to IFA taking over administration of the HOME program. The project was required to remain affordable until July 2011. Ms. Jensen requested board action on HI 16-16.

MOTION: On a motion by Mr. Nelson and a second by Mr. Peterson, the Board unanimously approved HI 16-16.

HI 16-17, Community Housing Initiatives, Inc.

Ms. Jensen introduced the resolution to forgive or write down up to 11 HOME loans to Community Housing Initiatives, Inc. (CHI). The loans were awarded to projects between the years 1994 and 2000, prior to IFA administering the HOME program. Pursuant to the resolution, IFA would negotiate a settlement for the outstanding principal on IFA HOME loans totaling approximately \$4 million. All 11 properties have LURAs in place that ensure the properties will remain affordable and protect the tenants for another 15 years.

There was a lengthy discussion between the board members, Ms. Jensen, and Mr. LaBounty, of CHI, regarding the language in the resolution allowing for negotiations in the settlement amount, whether this resolution would set precedent for other projects in the future, and the value of the property. Ms. Jensen requested board action on HI 16-17.

MOTION: On a motion by Mr. Nelson and a second by Ms. Bell, the Board unanimously approved HI 16-17.

Community Development

ECONOMIC DEVELOPMENT

ED 16-09B, Legacy Park Project

Ms. Beary stated that this is a resolution authorizing the issuance of an amount not to exceed \$9,800,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Legacy Park Project in Des Moines. The bonds will be used for the acquisition and rehabilitation of 137 units of affordable housing at various locations. This project will also use 4% LIHTCs and will require an allocation of Private Activity Bond Cap. The inducement resolution was adopted on August 3, 2016. The public hearing was held on September 6, 2016. Ms. Beary requested board action on ED 16-09B.

MOTION: On a Motion by Mr. Peterson and a second by Mr. Heil, the Board unanimously approved ED 16-09B.

ED 16-12B-1, MidAmerican Energy Project

Ms. Beary stated that this is a resolution authorizing the issuance of an amount not to exceed \$50,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for the MidAmerican Energy Project. The bonds will be used to finance the costs of constructing and equipping solid waste facilities at the Council Bluffs, Sergeant Bluff, Salix, and Muscatine generating stations. This project will require an allocation of Private Activity Bond Cap. The inducement resolution was adopted on August 3, 2016. The public hearing was held on August 19, 2016. Ms. Beary requested board action on ED 16-12B-1.

MOTION: On a Motion by Mr. Magalhães and a second by Mr. Peterson, the Board unanimously approved ED 16-12B-1.

ED 16-13B, Crossroads Square and Camelot Apartments Project

Ms. Beary stated that this is a resolution authorizing the issuance of an amount not to exceed \$14,000,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Crossroads Square and Camelot Apartments Project in Waterloo. The bonds will be used for the acquisition and rehabilitation of two Section 8 senior housing properties. The project is owned by Minnesota Attainable Housing Corporation, a 501c(3) non-profit corporation. The inducement resolution was adopted on September 7, 2016, and the public hearing will be held on October 5, 2016. Ms. Beary requested board action on ED 16-13B.

MOTION: On a motion by Mr. Heil and a second by Ms. Bell, the Board unanimously approved ED 16-13B.

ED 16-14B, Lifespace Communities Project

Ms. Beary stated that this is a resolution authorizing the issuance of an amount not to exceed \$116,000,000 of Iowa Finance Authority Revenue Bonds for the Lifespace Communities, Inc. Project in Illinois, Minnesota, and Pennsylvania. The bonds will be used to refinance outstanding bonds and for improvements to existing facilities and the construction of some additional facilities. Lifespace Communities is a 501 c(3) non-profit corporation. The inducement resolution for \$72,275,000 of bonds was adopted on September 7, 2016. This resolution increases the amount due to additional anticipated costs. The public hearing will be held on October 5, 2016. Ms. Beary requested board action on ED 16-14B.

MOTION: On a Motion by Mr. Nelson and a second by Mr. Magalhães, the Board unanimously approved ED 16-14B.

Miscellaneous

Receive Comments from General Public

Chair Randleman opened the public comment period and asked if anyone in the audience would like to address the Board.

No members of the audience requested to speak. Chair Randleman closed the public comment period.

Adjournment

On a motion by Mr. Peterson and a second by Mr. Magalhães, the October 5, 2016, regular monthly meeting of the IFA Board of Directors adjourned at 11:52 a.m.

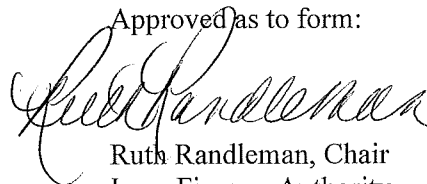
Dated this 2nd day of November, 2016.

Respectfully submitted:



David D. Jamison
Executive Director/Board Secretary

Approved as to form:



Ruth Randleman, Chair
Iowa Finance Authority